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SUBJECT: SEOUL - PRESS BULLETIN; June 30, 2009

TOP HEADLINES

Chosun Ilbo
Rival Parties Fail to Reach Agreement on Non-Regular Workers, with
Hundreds of Thousands of Non-Regular Workers Set
to Lose Jobs Next Month If Proposed Labor Law Revision Is
Not Passed This Month

JoongAng Ilbo, Dong-a Ilbo, Segye Ilbo,
Seoul Shinmun, All TVs
President Lee Pledges Not to Push Canal Project
during His Term in Office

Hankook Ilbo
Finance Minister Yoon Hints at Shelving Planned Corporate
and Individual Income Tax Cuts

Hankyoreh Shinmun
City Mayors and Provincial Governors Suspected of Illegal Donations
and Breach of Trust

DOMESTIC DEVELOPMENTS

Despite North Korea's second nuclear test and its series of
provocations, the ROKG has decided to budget some 1.5 trillion won
for the Inter-Korean Cooperation Fund for 2010, a level similar to
the 2009 budget. (Hankook)

INTERNATIONAL NEWS

Britain's Financial Times reported on June 28 that the third son and
heir apparent of North Korean leader Kim Jong-il actually visited
China in mid-June. The report came after intensive, two-day coverage
on the junior Kim's alleged trip by Japan's Asahi Shimbun, which was
officially denied by the Chinese government. (Chosun, Dong-a,
Hankyoreh, Segye, Seoul, all TVs)

MEDIA ANALYSIS

-N. Korea

Conservative Dong-a Ilbo ran an op-ed written by former Foreign Minister Han Sung-joo: "While North Korea is boycotting the Six-Party Talks, we should continue diplomatic efforts, in addition to (implementing) sanctions under the UNSC Resolution. At present, the only way to do this is to hold consultations among the five nations of the Six-Party Talks - not including North Korea. ... For these consultations, the delegates from the five nations do not necessarily need to meet regularly in the same place. The talks could involve two, three, or all five nations. ... The five-party consultations should not be pursued (as a means) to replace the Six-Party Talks. The consultations should just be a tool for resuming the Six-Party Talks. ... Mindful of the North, China has had reservations about five-party consultations. However, if the ROK and the U.S. agree (on these ... points), then Beijing has no reason to reject five-party consultations."

-Honduras

Most newspapers led their international news section with a report on the June 28 coup in Honduras in which the army ousted elected President Manuel Zelaya and sent him into exile.

Conservative Chosun Ilbo, in a report entitled "'Honduras Coup'... Obama's Solution?," commented that the ouster of the anti-American

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president would be welcome news for the U.S. but that accepting such a coup would also be burdensome for the U.S. The Chosun report went on to comment that Obama's diplomatic capability has been put to the test.

Conservative Dong-a Ilbo filed a similar report entitled "Favor? Oppose?... Obama in a Dilemma over Policy toward Central and South America."

OPINIONS/EDITORIALS -----

NORTH KOREA'S NUCLEAR ISSUE AND TRUTH AND FALSEHOOD OF FIVE-WAY CONSULTATIONS
(Dong-a Ilbo, June 30, page 30)

By Han Sung-joo, professor at Korea University and former Foreign Minister

In the 2004 U.S. presidential race, Republican candidate President George W Bush and Democratic candidate John Kerry engaged in a heated debate over the Six-Party Talks. Senator Kerry argued that the U.S. should hold bilateral talks with North Korea within the framework of the Six-Party Talks while President Bush was steadfastly opposed to it. At that time, the Bush Administration was reluctant to talk bilaterally with North Korea because Pyongyang admitted, during the 2002 U.S.-North Korea talks, to having an enriched uranium program but later denied it. Through the Six-Party Talks, the U.S. intended to engage not only Japan, the ROK and Russia but also China while preventing North Korea from reversing what it had said. Moreover, the Six-Party Talks were meant to make sure that, should an agreement be reached, the five parties (excluding North Korea) will take a shared responsibility to guarantee and implement the agreement (on the North Korean nuclear issue.)

Beyond participating in the Six-Party Talks, China played a leading role as a host. China became a more active supporter of the Six-Party Talks than the U.S. For Russia, Japan and China, the Six-Party Talks paved the way for them to engage in the North Korean nuclear issue. North Korea initially did not view the Six-Party Talks favorably but joined due to the possibility of bilateral contact with the U.S. During the Roh Moo-hyun Administration, the ROK served as a mediator to some extent, apparently because it took a soft attitude toward North Korea.

The U.S. began to hold bilateral talks with North Korea after October 2006 when North Korea carried out a first nuclear test. The Bush Administration had demanded a complete, verifiable, and irreversible dismantlement of the North's nuclear weapons program. However, upon realizing that (this U.S. stance) only gave North Korea the opportunity and time to operate nuclear facilities and produce nuclear weapons, the U.S. entered into negotiations with North Korea and in February 13, 2007 reached an agreement calling for Pyongyang to abandon its nuclear program in three phases, which meant shutting down, and disabling and dismantling nuclear facilities.

(Five-way consultations) should be a tool for restarting the Six-Party Talks

For two years since the February 13 Agreement, North Korea froze its nuclear facilities and kept discussing the dismantling of its nuclear programs (with the U.S.) until the end of 2008. It was a lull period in North Korea's nuclear program development. However at some stage, the North decided to produce additional nuclear materials and build nuclear facilities. Pyongyang apparently decided to "actualize" the nuclear and missile programs at the same time. This plan became evident when North Korea rejected the verification protocol in December last year, launched a long-range rocket, and conducted a second nuclear test this year. (Therefore,) it may be concluded that Pyongyang has (its own) schedule in mind and intends to complete its nuclear and missile technology. When it resumed its nuclear activities, North Korea announced it would not

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return to the Six-Party Talks. North Korea also vowed to pursue their uranium enrichment program.

By "coming out" with the existence of their highly enriched uranium program, North Korea is now seemingly starting to manufacture nuclear weapons. North Korea intends to accelerate its efforts to produce nuclear weapons in flat defiance of the UN Security Council's sanctions.

In this situation, although the five states of the Six-Party Talks are urging the North to rejoin the Six-Party Talks, it is doubtful whether Pyongyang will accept their call. Even if the North returns to the Six-Party Talks in exchange for compensation from China as it did before, that in itself is not expected to lead to the resolution of the North Korean nuclear issue. Therefore, while North Korea is boycotting the Six-Party Talks, we should continue diplomatic efforts, in addition to (implementing) sanctions under the UNSC Resolution. At present, the only way to do this is to hold consultations among the five nations of the Six-Party Talks - not including North Korea. To this end, there are several things to take notice of.

First, consultations among the five countries should not be the same in nature as the Six-Party Talks. For these consultations, the delegates from the five nations do not necessarily need to meet regularly in the same place. The talks could involve two, three, or all five nations. They could be held at the working-level or summit level. Such talks can be held within the framework of the ASEAN Regional Forum or Asia-Pacific Economic Cooperation. Second, the five-party consultations should not be pursued (as a means) to replace the Six-Party Talks. The consultations should just be a tool for resuming the Six-Party Talks. Just as the Six-Party Talks made it possible to hold bilateral discussions between the U.S. and North Korea, the five-party consultations should be beneficial to the Six-Party Talks.

Finally, the five-party consultations should not be an end in itself. In other words, even if the five-party meeting is actually held, we cannot satisfactorily say that we have achieved a diplomatic goal. A simple meeting among the ministers or leaders of the five countries does not mean the resolution of the North Korean nuclear issue. Excessive expectations for the talks or any attempt to glorify the talks must be avoided. Mindful of the North, China has had reservations about the five-party consultations. However, if the ROK and the U.S. agree (on these three points), then Beijing has no reason to reject five-party consultations. A resolution to

the North Korean nuclear issue should be sought based on the three pillars - "pressure" through sanctions, "diplomacy" through five-party consultations, and "conciliation" by providing rewards for cooperation.

STEPHENS